

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 10:30 A.M. on February 12, 2008 in Room 123-S of the Capitol.

All members were present except:

Senator Steve Morris - excused

Committee staff present:

Jill Wolters, Senior Assistant, Revisor of Statutes  
Alan Conroy, Director, Kansas Legislative Research Department  
Kristen Clarke Kellems, Assistant Revisor of Statutes  
Kimbra Caywood McCarthy, Kansas Legislative Research Department  
Amy Deckard, Kansas Legislative Research Department  
Audrey Dunkel, Kansas Legislative Research Department  
Julian Efir, Kansas Legislative Research Department  
Cody Gorges, Kansas Legislative Research Department  
Reed Holwegner, Kansas Legislative Research Department  
Aaron Klaassen, Kansas Legislative Research  
Heather O'Hara, Kansas Legislative Research Department  
Leah Robinson, Kansas Legislative Research Department  
J. G. Scott, Kansas Legislative Research Department  
Michael Steiner, Kansas Legislative Research Department  
Amy VanHouse, Kansas Legislative Research Department  
Jarod Waltner, Kansas Legislative Research Department  
Melinda Gaul, Chief of Staff, Senate Ways & Means  
Mary Shaw, Committee Assistant

Conferees appearing before the committee:

Glenn Deck, Executive Director, Kansas Public Employees Retirement System  
Major Jim Woods, Sedgwick County Sheriff's Office  
Kenneth M. McGovern, Member of the Kansas Sheriff's Association  
Richard Kline, Director, Shawnee County Department of Corrections  
Pat Ayars, Key Construction  
Eric Stafford, Associated General Contractors of Kansas, Inc.  
Dan Morgan, The Builders' Association and Kansas City Chapter, AGC  
Joe Waters, Johnson County Board of County Commissioners  
Bob Totten, Kansas Contractors Association  
Steve Weatherford, President, Kansas Development Finance Authority

Others attending:

See attached list.

### **Bill Introductions**

Senator Emler moved, with a second by Senator Goodwin, to introduce a conceptual bill concerning Kansas Electric Transmission Act. Motion carried on a voice vote.

Senator Emler moved, with a second by Senator Steineger, to introduce a conceptual bill concerning food specification license fees regarding hotels, lodging and restaurants. Motion carried on a voice vote.

Senator Goodwin moved, with a second by Senator Emler, to introduce a conceptual bill concerning nurse shortages and colleges, scholarships and faculty. Motion carried on a voice vote.

Kansas Legislative Research Department Staff distributed copies of the Governor's FY 2009 State General Fund Profile - Adjusted for Federal Tax Change (Attachment 1).

CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 10:30 A.M. on February 12, 2008 in Room 123-S of the Capitol.

The Chairman opened the public hearing on:

**SB 339--KPERs, affiliation by counties for county detention officers; normal retirement and associated costs**

Staff briefed the committee on the bill.

Glenn Deck, Executive Director, Kansas Public Employees Retirement System, who presented information to the committee regarding **SB 339 (Attachment 2)**. Mr. Deck explained that the bill provides an option for local detention officers to receive the same retirement age and early retirement options currently provided to state corrections officers. A legislative data sheet was attached to Mr. Deck's testimony. Mr. Deck did note that there would be a need for amendments to conform to the new plan's features for state corrections employees.

Major Jim Woods, Sedgwick County Sheriff's Office, testified in support of **SB 339 (Attachment 3)**. Major Woods explained that there are a lot of physical demands on county corrections officers which are similar to what law enforcement officers face every day and the bill would allow deputies to retire at an early age.

Kenneth M. McGovern, Member of the Kansas Sheriff's Association, the Kansas Jail Association and Sheriff of Douglas County, spoke in support of **SB 339 (Attachment 4)**. Sheriff McGovern explained that their corrections officers are professionals who are asked on a daily basis to interact with inmates, who unlike those who are incarcerated in state institutions, are behaviorally, physically, emotionally at their worse when they come to their jails. The bill would be a significant morale booster that would increase officer retention in the jails and continue to allow him to hire qualified individuals who will become valuable correction professionals.

Richard Kline, Director, Shawnee County Department of Corrections, testified in support of **SB 339 (Attachment 5)**. Mr. Kline mentioned that they are seeing more mental health problems that have become more difficult to manage and it is a challenge meeting this population. Their work has become more emotionally, physically and mentally challenging.

Written testimony was submitted by Judy A. Moler, General Counsel/Legislative Services Director, Kansas Association of Counties (Attachment 6) and Frank Denning, Johnson County Sheriff (Attachment 7).

The Chairman closed the public hearing on **SB 339**.

Chairman Umbarger opened the public hearing on:

**SB 485--Counties; alternative building construction procurement**

Revisor Mike Heim, Assistant Revisor, briefed the committee on the bill (Attachment 8).

The Chairman welcomed the following conferees:

Pat Ayars, Key Construction, testified in support of **SB 485**. Mr. Ayars submitted copies of letters from Dewey P. Newton, Vice President/General Manager, Turner Construction Company (Attachment 9) and Dennis E. Thompson, President, Kansas City Division, Walton Construction (Attachment 10). Mr. Ayars explained that in reading the letter from Walton Construction, Mr. Thompson noted that having reviewed **SB 485**, in his thirty years of building design and construction project delivery, this is a bill whose time has come in Kansas, or perhaps is overdue. Had legislation of this nature been in place previously, their company may have looked more favorably on pursuing the Sedgwick County Arena project. The bill would allow alternate methods of construction.

Eric Stafford, Associate Government Affairs Director, Associated General Contractors of Kansas, Inc., spoke in support of **SB 485 (Attachment 11)**. Mr. Stafford urged support of the bill as written and asks that it be reported favorably for passage. In closing, Mr. Stafford mentioned that as more counties consider the use of

## CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 10:30 A.M. on February 12, 2008 in Room 123-S of the Capitol.

alternative project delivery methods, AGC feels that all counties should use a selection process that will maintain the public trust through an open and objective selection process.

Dan Morgan, Director of Governmental Affairs, The Builders' Association and Kansas City Chapter, AGC, testified in support of **SB 485** (Attachment 12). Mr. Morgan noted that the use of alternative delivery is not intended as a substitute for awarding public contracts to the lowest responsible bidder. Rather, it is meant to provide a good alternative in appropriate circumstances and only after a determination has been made that it is in the public interest to use an alternative method of delivery.

Joe Waters, Director of Facilities, Board of County Commissioners of Johnson County, spoke in support of **SB 485** (Attachment 13). Mr. Waters explained that while they are supportive of the intent of the bill, they believe the current version of SB 485 requires modifications. He noted that they believe the bill is too prescriptive, particularly as it relates to procedures, and requests that it be structured as enabling legislation leaving the details of procedure to the County Commissioners. Mr. Waters also included in his written testimony information regarding a number of modifications they believe are needed to make it more consistent and functional "on the ground."

Bob Totten, Public Affairs Director, Kansas Contractors Association, testified in a neutral position on **SB 485** (Attachment 14). Mr. Totten expressed caution that using a different bid process opens up the procurement situation to charges of favoritism. In closing, Mr. Totten mentioned that the Kansas Contractors Association does not oppose this measure as long as the bill remains in its present form.

Written testimony was submitted on **SB 485** by Randall Allen, Executive Director, Kansas Association of Counties (Attachment 15).

The Chairman closed the public hearing on **SB 485**.

Chairman Umbarger welcomed Steve Weatherford, President, Kansas Development Finance Authority, who presented a briefing on bonding (Attachment 16). Mr. Weatherford explained that he would be discussing three types of debt: user-fee supported debt; self-supporting debt (primary obligation of a legal entity other than the state and tax-supported debt). Tax-supported debt composes the majority of the State's debt. Mr. Weatherford explained that with this report, KDFA hopes to help advance the formalization of an annual debt study and provide relevant data to assist policymakers in making financing decisions for the State. Due to time constraints, Mr. Weatherford's presentation would be re-scheduled for another meeting.

The meeting adjourned at 12:00 p.m. The next meeting was scheduled for February 13, 2008.

**SENATE WAYS AND MEANS  
GUEST LIST**

Date February 12, 2008

NAME	REPRESENTING
Ken McGovern	Douglas Co Sheriff's Office
Jeff Bottenberg	Kansas Sheriff's Ass'n
Jim Woods	Sedgewick Co Sheriff's Office
PATRICK Ayars	Key Construction
FRANK Henderson	Attorney General Six
Cassie Williams	Wellshear Gov. Relations
Heather Morgan	SJA
MARK BORANYAK	CAPITOL STRATEGIES
Richard Kline	Shawnee Co. Dept. of Corrections
Dan Gibb	KTAG
Glenn Deck	KPERS
Dennis Williams	KDOC
JEREMY S BARCLAY	KDOC
CARLA WOZNIAK	KDOC
ROGER WERHOLTZ	KDOC
TIM MADDEN	KDOC
Julia Thomas	DOB
Cyrene Boon	DOB
Kati Mapp	Priggo, Smith
Effie Sunson	Sen. Derek Schmidt
Michael Matherly	Hunt
DAN MORGAN	Builders Assn. / KC-Chapter, AGC
Eric Stafford	AGC of KS





Senate Ways and Means  
2-12-08  
Attachment 1

**Tax Reductions as Recommended by the Governor - Sales Tax Exemption  
November, 2007 Consensus Revenue Estimates for FY 2008 and FY 2009 as adjusted by the Governor; 4.0 Percent Growth in FY 2010  
Governor's Recommended Expenditures in FY 2008 (revised) and FY 2009  
Governor's Projected FY 2010 Expenditures as Adjusted for the Next Phase of the Recommended State Employee Market Pay Increase  
Federal Economic Stimulus Legislation - Estimated loss of State Revenue of \$87.0 million**

**STATE GENERAL FUND RECEIPTS, EXPENDITURES AND BALANCES  
FY 2007 - FY 2010  
In Millions**

	Actual FY 2007	Governor's Revised FY 2008	Governor's Adjusted Recommendation FY 2009	Governor's Adjusted Projection FY 2010
Beginning Balance	\$ 733.6	\$ 935.0	\$ 536.3	\$ 223.9
Receipts (November 2007 Consensus) - 4.0 Percent Growth	5,809.0	5,717.3	6,170.1	6,239.8
<b>Receipt Adjustments and Sales Tax Exempt. - Research Federal Economic Stimulus Legislation</b>	0.0	(3.9)	(0.9)	(6.2)
	0.0	0.0	(87.0)	0.0
Adjusted Receipts	5,809.1	5,713.4	6,082.2	6,233.6
Total Available	\$ 6,542.7	\$ 6,648.4	\$ 6,618.5	\$ 6,457.5
K-12 Additional Funding - \$466.2 Million Over Three Years	194.5	149.0	122.7	-
<b>State Employee Market Pay Equalization</b>	-	-	8.5	17.0
Less All Other Expenditures	5,413.2	5,963.1	6,263.4	6,525.2
Total Expenditures	5,607.7	6,112.1	6,394.6	6,542.2
<b>Ending Balance</b>	<b>\$ 935.0</b>	<b>\$ 536.3</b>	<b>\$ 223.9</b>	<b>\$ (84.7)</b>
Ending Balance as a Percentage of Expenditures	16.7%	8.8%	3.5%	-1.3%
Receipts Above Expenditures	201.4	(398.7)	(312.4)	(308.6)

- 1) FY 2007 expenditures are actual. FY 2008 (revised) and FY 2009 expenditures are as recommended by the Governor.
- 2) FY 2008 and FY 2009 receipts reflect the estimates of the Consensus Revenue Estimating Group as of November 5, 2007, as adjusted by the Governor. The adjustments in FY 2008 total a reduction of \$3.8 million and in FY 2009 a positive \$5.1 million. However, the Governor has also recommended a sales tax exemption for research and development which will reduce State General Fund receipts by \$6.0 million in FY 2009 and \$6.2 million in FY 2010. Federal economic stimulus legislation will reduce receipts in FY 2009 by an estimated \$87.0 million.
- 3) FY 2010 base receipts assume a 4.0 percent growth, less the expanded sales tax exemption for research and development.
- 4) \$466.2 million in new K-12 Funding FY 2007 - FY 2009 - SB 549.
- 5) FY 2010 expenditures would include on-going obligations such as social services caseloads, KPERS and school finance, partial restoration of the LAVTRF, and the Regents Deferred Maintenance Plan. In addition, the second year of the market pay adjustments for Executive Branch classified state employees.
- 6) Keeping Promises Education Trust Fund transfer of \$122.7 million out of the State General Fund in FY 2008 and returned to the State General Fund in FY 2009 for the FY 2009 school finance increase amount as provided in the 2006 school finance bill.

Kansas Legislative Research Department  
February 12, 2008

Governor's FY 2009 SGF Profile - Adjusted for Federal Tax Change

## SB 339

### Testimony for the Senate Ways and Means Committee

Glenn Deck  
Executive Director  
Kansas Public Employees Retirement System

February 12, 2008

Dear Mr. Chairman and Members of the Committee:

Thank you for this opportunity to provide additional information regarding SB 339 for your consideration. SB 339, which was introduced during the 2007 Session, provides an option for local detention officers to receive the same retirement age and early retirement options currently provided to state corrections officers. The attached Legislative Data Sheet for SB 339 describes the effects of this bill and its fiscal impact. In addition, I would like to highlight three issues regarding SB 339 – its cost; revisions to conform it with 2007 SB 362, which established a new plan design for future KPERS members; and its implementation date.

**SB 339 Cost Projections.** A bill introduced during the 2005 Legislative Session, HB 2293, was similar to SB 339. Prior to the introduction of the bill, the Director of the Shawnee County Corrections Department took the initiative to survey other counties regarding their interest in providing their local detention officers with the same retirement age and early retirement options provided to state corrections officers. She coordinated the collection of age and service data from 15 counties on 732 local detention officers. This data became the basis for actuarial cost projections that were incorporated in the fiscal note for HB 2293. However, the data was not updated for the SB 339 fiscal note and is now three years old. A similar survey of counties would be need to be undertaken to develop a more current cost estimate for the bill as a whole and for individual counties considering whether they would be interested in participating in a local detention officer group.

**Conforming Amendments.** SB 339 was written to mirror the laws establishing the state corrections employees group. Under the existing KPERS plan design, the normal full retirement age is 55 for correction officers and age 60 for corrections support personnel. During the 2007 Session, a new plan design for future KPERS members was enacted with a July 1, 2009, effective date. (2007 SB 362.) The basic retirement eligibility criteria for state corrections officers were not affected by SB 362. However, SB 362 did change some supplemental criteria, such as eliminating the 85-point rule and adding a 10-year minimum service requirement. Because SB 339 was written and introduced before SB 362 passed, it does not reflect this new plan design. Therefore, SB 339 would need to be amended to conform to the new plan's features for state corrections employees.

**KPERS**

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Attachment 2



**Effective date.** As introduced, SB 339 would take effect on publication in the statute book – July 1, 2008, if enacted this Session. KPERS would request that this date be delayed to July 1, 2009. Since SB 362 will take effect on the same date, this approach eliminates the complexity associated with implementing the bill under both the old and new plan designs. Moreover, the intervening year would allow more adequate time for implementation, including updates to the member data for counties interested in affiliating with the new local detention group; development of updated actuarial cost projections for the local detention group as a whole, as well as for individual counties; decisions by counties to affiliate with the new group and put funding in place; and education of employees about the effect of the changes.

Thank you for your consideration. I would be glad to respond to questions of Committee members or to provide additional information regarding SB 339 upon request.

# Kansas Public Employees Retirement System

## Legislative Data Sheet

### 2007 Senate Bill 339

Sponsored by Committee on Ways and Means.

#### Effects of Bill

Under current State law, local detention officers receive the same benefit provided to all KPERS members, including normal (unreduced) retirement at age 62 with 10 years of service, age 65 with one year of service or any time age plus years of service equals "85 points" or more.

SB 339 would provide local detention officers with the same retirement age and early retirement provisions currently provided to State corrections officers. The bill would create a local detention officer group within KPERS and provides that, in addition to the "85 point" rule, local detention officers with at least three years of consecutive service as detention officers immediately preceding retirement would be eligible for normal retirement at age 55 (detention officers) or age 60 (support personnel who have regular contact with inmates). Local detention officers also would be allowed to retire early at age 50 (detention officers) or age 55 (support personnel). An early retirement reduction factor of 0.2 percent would apply for each month under age 55 or 60, as applicable.

Under SB 339, on or after July 1, 2007, counties employing one or more detention officers could make an irrevocable election to have their detention officers covered by the provisions of SB 339. The election would become effective the following January 1, provided that the counties electing to participate have, combined, at least 500 covered detention officers.

#### Fiscal Impact

Upon deciding to affiliate for local detention officer coverage, an actuarial study of the membership data for each county would be completed to determine the cost of SB 339. Based on actuarial cost estimates prepared for similar legislation considered during the 2005 session, we estimate SB 339 would increase the System's actuarial liability by approximately \$2 million. This increase would result in additional first-year contributions of about \$200,000. The employer contribution rates for counties that elect local detention officer coverage likely would increase by approximately 1.7 to 2.0 percent.

These cost estimates are based in membership data provided by counties during consideration of HB 2293 in 2005 and assume all counties for which data was submitted will elect to participate in local detention officer coverage. Also, please note that the relatively small number of members in this group (minimum of 500 local detention officers) likely would produce somewhat volatile valuation employer contribution rates. In addition to the annual employer UAL payments, counties electing local detention officer coverage would be required to pay the cost of actuarial studies required to establish the SB 339 employer contribution rates. Current rates for actuarial studies are \$750 plus \$25 per employee included in the study.

The Retirement System could implement the provisions of SB 339 within currently approved staffing and operating expenditure levels.



## SEDGWICK COUNTY, KANSAS

**SHERIFF'S OFFICE**  
**GARY STEED**  
Sheriff

141 WEST ELM \* WICHITA, KANSAS 67203 \* TELEPHONE: (316) 383-7264 \* FAX: (316) 660-3248

### **TESTIMONY** **Before the Senate Ways and Means Committee** **February 12, 2008**

Honorable Chairman Umbarger and members of the committee, I appreciate the opportunity to testify on the legislation concerning changing the retirement system for corrections officer. I am the Detention Bureau Commander for the Sedgwick County Sheriff's Office and have been in law enforcement for the past thirty years. I am appearing on behalf of Sedgwick County and the Sedgwick County Sheriff's Office.

The proposed legislation under Senate Bill 339 would benefit county correction officers across the State. The primary advantage to this legislation is that it allows deputies to retire at an earlier age. There are a lot of physical demands placed on county correction's officers. It is difficult to expect an employee in their late 50's or older to maintain control of an inmate who is a young adult. The stress of the position takes its toll on correction's officers, especially after twenty years in the profession. The stress and physical demands placed on correction's officers is similar to what law enforcement officers face everyday. The age requirement that KP&F members have should be made available to correctional officers.

The medical retirement rules under KPERS are another reason this bill should be considered. It inadequately covers the risk correction officers encounter each day. If permanently injured, the corrections officer would not be able to work in corrections again. KPERS medical disability is not suited for such risks or finality as does tier II in KP&F.

As a secondary benefit, the proposed legislation allowing for an earlier retirement may also assist county agencies in the recruitment and retention of personnel. It would at least be considered an incentive.

Major Jim Woods

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Attachment 3

OFFICE OF THE SHERIFF



Steve Hornberger, Undersheriff  
111 East 11th St. - Operations  
Lawrence KS 66044  
(785) 841-0007, fax (785) 841-5168

Ken Massey, Undersheriff  
3601 East 25th St.- Corrections  
Lawrence KS 66046  
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**KENNETH M. McGOVERN**  
**Sheriff**

February 7, 2008

Dear Committee Members:

As a member of the Kansas Sheriff's Association, the Kansas Jail Association and as Sheriff of Douglas County, I am pleased to speak to you on behalf of Corrections Officers working at the County level regarding Senate Bill 339 concerning membership in KPERS.

The work that conducted by our County Jail, our Corrections Officers, has changed. Our Corrections Officers are no longer the "guards" of yesterday. Our Corrections Officers are professionals who are asked on a daily basis to interact with inmates, who unlike those are incarcerated in state institutions, are behaviorally, physically, emotionally at their worse when they come to our jails, they are the unknowns, making them more dangerous to the Corrections Officers who have contact with them every day. Their job is to provide a safe and secure environment for the inmates, their fellow Officers and their community where they serve. These professional Corrections Officers at our county jails provide an important connection between the deputies and police Officers who make the arrests and the courts.

Statutorily, local Corrections Officers are accepted as part of the law enforcement community in that when a Corrections officer is battered by an inmate, that inmate can be charged with a felony, unlike the street officer, who if battered by a citizen, would be charged with a misdemeanor. Why the difference? One would reason that Corrections Officers are in contact with inmates on a daily basis- throughout their shift, unlike the patrol officer who has limited contact ~ at arrest and at court.

Sheriffs across this state have recognized the importance of educating our Corrections Officers. The Kansas Jail Association conducts professional training sessions to fill that need for professional standards. The Kansas Jail Association, which is comprised of Jail Administrators, Sheriffs and Corrections Officers provide excellent opportunities for our Corrections Officers to increase their knowledge of managing their jail facilities and inmates, and interpersonal communications, to name a few topics.

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Attachment 4



I believe that the field of corrections, especially at the county level, is no longer seen as a stepping-stone to becoming a certified law enforcement officer; it has become a professional career choice. In Douglas County, we recognized that corrections is a highly specialized field and have created more advancement opportunities within that division and provide continuing education for our Corrections Officers in-house.

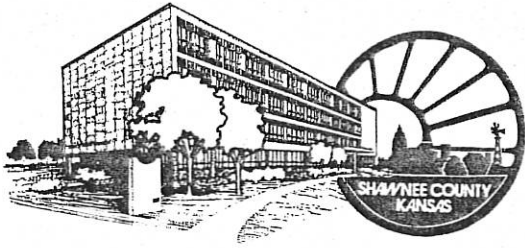
Taking Senate Bill 339 out of committee and to the Senate to create the local Corrections KPERs membership will have a positive impact on our Corrections Officers. This Bill if passed would be a significant morale booster, will increase officer retention in our jails and continue to allow me to hire qualified individuals who will become our valuable correction professionals.

We as Kansas Sheriffs are committed to provide local Corrections Officers the same retirement opportunities as their state counterparts.

This bill, once passed to law, will not have a negative fiscal affect on the state or state employees. There is a fiscal affect on the county who permanently elect to cover their Corrections Officers by SB 339. However, I come with the support of my county commission and administration. I support Senate Bill 339 and encourage you to move this bill forward to the Senate for passage.

Sincerely,

Sheriff Ken M. McGovern  
Douglas County



**Shawnee County  
Department of Corrections**

501 S.E. 8th Street - Topeka, Kansas 66607

**Richard Kline, Director**

Adult Detention Facility - 501 SE 8th - Topeka, Kansas 66607 - (785) 291-5000 - FAX (785) 291-4924  
Youth Detention Facility - 401 SE 8th - Topeka, Kansas 66607 - (785) 233-6459 - FAX (785) 291-4963

DATE: February 12, 2008

TO: Honorable Members  
Senate Ways and Means Committee

FROM: Richard C. Kline, Director

SUBJECT: **Senate Bill No. 339**

Thank for this opportunity to testify today in support of Senate Bill No. 339. The Shawnee County Department of Corrections is responsible for the administration of the adult detention center (often referred to as the county jail) and the juvenile detention center. The adult detention center is a 557-bed facility and the juvenile detention center is a 70-bed facility. The department is staffed with 270 employees that include 194 correctional officers. The department is responsible of the management of the adult and juvenile offenders placed in the respective facilities for violation of city, county, state, or federal law. This bill is very important to the agency so as to help ensure we maintain the best quality of officers needed to manage this very challenging population.

SB 339 will provide local detention/correctional officers with the same retirement options currently provided to state corrections officers. As you are aware, under the present law, county-based correctional officers receive the same benefits as all KPERS members. This bill will provide county corrections officers the options to be able to retire at age 55 with at least 3-years of consecutive service as a correctional officer. The bill also allows for retirement at age 50 years or 10 years of credited service, whichever ever occurs later. However, it would allow counties to voluntarily decide if they wish to implement such a retirement plan on a county-by-county level and would not be state mandated.

The work of a correctional officer is physically demanding as well as emotionally and mentally challenging. It requires a extremely high level of dedication to remain in the corrections field as a corrections officers. For Shawne County the average length of service is just a little over 5 years. County jails and juvenile detention centers are presently experiencing a major dilemma with high vacancy and turnover rates. This places greater demand on the remaining staff and increases liabilities to the counties. Providing a reasonable retirement plan, one that provides parity with those doing a similar job at the state level, and provides for it to be a local option is a win-win situation for all interested parties.

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Attachments

In conclusion, your support of SB339 will reflect your understanding of the importance of managing county-based correctional facilities with professional correctional officers capable of handling the rigor of the position. It will also present your recognition that retirement parity with correctional officers at the state level doing work of similar nature with similar inmates is reasonable and fair, and that counties should have the option to determine the course of action they wish to take in this benefit to these employees.

Thank you again for this opportunity and I will be happy to answer any questions from the Committee.

RCK:rck



**KANSAS**  
ASSOCIATION OF  
**COUNTIES**

WRITTEN TESTIMONY  
Before the Senate Ways and Means Committee  
February 12, 2008  
SB 339

By Judy A. Moler, General Counsel/Legislative Services Director

Thank you, Chairman Umbarger and Members of the Committee for allowing the Kansas Association of Counties to provide written testimony on SB 339. I am sorry that I cannot appear in person but today is Kansas County Government Day. I hope you all are planning to join us at our ice cream social this afternoon.

The Kansas Association of Counties is in support of SB 339. For the past several years the KAC has had language in its policy statement that supports the OPTION of allowing counties to participate in a retirement plan specifically for jail/detention officers. This would allow a county at its discretion to offer this retirement plan and become a more competitive employer.

The Kansas Association of Counties urges your support of SB 339.

The Kansas Association of Counties, an instrumentality of member counties under K.S.A. 19-2690, provides legislative representation, education and technical services, and a wide range of informational services to its member counties. Inquiries concerning this testimony should be directed to Randy Allen or Judy Moler by calling (785) 272-2585.

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Senate Ways and Means  
2-12-08  
Attachment 6





FRANK P. DENNING  
SHERIFF

TELEPHONE  
913-791-5800  
FAX  
913-791-5806

DUTY HONOR SERVICE  
125 N. CHERRY  
OLATHE, KANSAS 66061  
WWW.JOCOSHERIFF.ORG

DAVID A. BURGER  
UNDERSHERIFF

KEVIN D. CAVANAUGH  
UNDERSHERIFF

To: Chairperson Umbarger, Vice-Chairperson Emler, and distinguished members of the Ways and Means Committee

From: Frank P. Denning, Sheriff

Chairperson Umbarger and Committee Members:

My name is Frank Denning and I am the Sheriff's of Johnson County, Kansas. I am submitting written testimony in support of Senate Bill 339. The corrections officers working in my detention centers perform difficult jobs everyday that are unseen by the general public.

Hiring the right individual to work in a secure correctional setting is challenging enough, retaining those employees had proven to be just as difficult. In 2006, the Johnson County Sheriff's Office experienced an attrition rate of 22% in our corrections officers. In 2007, the attrition rate rose to 41%. A significant contributing factor to the high attrition rates could be traced to wages and benefits. We are asking men and women to work in dangerous surroundings for less pay and weaker long-term benefits than received by sworn personnel. Where is the incentive for these employees to stay?

I will continue to seek salary increases for my corrections officers through the annual budget process. I don't have that option when it comes to retirement programs. I am confident an enhanced retirement benefit would reduce the attrition rates for corrections officers in the Johnson County Sheriff's Office. It is important to point out that Senate Bill 339 has no fiscal impact at the state level, because it doesn't affect state employees.

I urge the committed to support Senate Bill 339, and look forward to speaking with you further about this important piece of legislation.

Sincerely,

*Frank Denning*  
Sheriff Frank Denning  
Johnson County Sheriff  
Olathe, Kansas

Senate Ways and Means  
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Attachment 7

**MARY ANN TORRENCE**, ATTORNEY  
REVISOR OF STATUTES

**JAMES A. WILSON III**, ATTORNEY  
FIRST ASSISTANT REVISOR

**GORDON L. SELF**, ATTORNEY  
FIRST ASSISTANT REVISOR



OFFICE OF REVISOR OF STATUTES  
KANSAS LEGISLATURE

Legal Consultation—  
Legislative Committees and Legislators  
Legislative Bill Drafting  
Legislative Committee Staff  
Secretary—  
Legislative Coordinating Council  
Kansas Commission on  
Interstate Cooperation  
Kansas Statutes Annotated  
Editing and Publication  
Legislative Information System

MEMORANDUM

To: Senate Committee on Ways and Means  
From: Mike Heim, Assistant Revisor  
Date: February 12, 2008  
Re: Summary of 2008 SB485

Overview

SB 485 would enact the county alternate project delivery construction procurement act. The bill is patterned after the alternative project delivery building construction procurement act, K.S.A. 2007 Supp. 75-37,141 through 75-37,147. The state law applies to the agency or state education institution as defined in K.S.A. 2007 Supp. 76-756. The bill authorizes counties to utilize an integrated comprehensive building design and construction process as an alternative to the traditional more separated process where the design and construction phases are not integrated. The bill authorizes two distinct alternatives: construction management at risk project delivery and building design built project delivery.

Definitions

Section 2 contains definitions. Note in particular the following:

“Alternative project delivery” means an integrated comprehensive building design and construction process, including all procedures, actions, sequences of events, contractual relations, obligations, interrelations and various forms of agreement all aimed at the successful completion of the design and construction of buildings and other structures whereby a construction manager or general contractor or building design-build team is selected based on a qualifications and best value approach. (See subsection (a)).

“Building design-build contract” means a contract between the county and a design-builder to furnish the architecture or engineering and related design services required for a given public

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Attachment 8*

facilities construction project and to furnish the labor, materials and other construction services for such public project. (See subsection (h)).

“Construction management at-risk services” means the services provided by a firm which has entered into a contract with the county to be the construction manager or general contractor for the value and schedule of the contract for a project, which is to hold the trade contracts and execute the work for a project in a manner similar to a general contractor, and which is required to solicit competitive bids for the trade packages developed for the project and to enter into the trade contracts for a project with the lowest responsible bidder therefor. Construction management at-risk services may include, but are not limited to, scheduling, value analysis, system analysis, constructability reviews, progress document reviews, subcontractor involvement and prequalification, subcontractor bonding policy, budgeting and price guarantees and construction coordination. (See subsection (j)).

### The Initial Process

Section 3, pages 3 - 4, lists criteria the county should consider for projects utilizing this act, eq. the likelihood saving substantial time or money; an accelerated schedule is needed due to an emergency, etc. (See Subsection (c)). Subsection (d) requires a public hearing. Subsection (e) requires regular bidding procedures if the board determines not to use the alternatives authorized by this act. Subsection (f) provides a procedure for requesting qualifications and proposals for project services if the board decides to proceed using the act. Note the procedures under this act cannot be used for highways, roads, bridges, dams or parking lots.

### Construction Management At-Risk Project Delivery

Section 4 (pages 5 - 7) establishes procedures to be followed when utilizing construction management at-risk project delivery services. The board shall solicit proposals in a three stage selection process. See subsection (d) (pages 5 -6). Once all proposals for services have been submitted, Phase III requires the board to conduct interviews of all proposers and to select the firm providing the best value.

### Building Design-Built Project Delivery

Section 5 (pages 7 - 10) establishes similar procedures including the three phase process for building design-built projects.

### Other Provisions

Section 6 on page 10 requires public disclosure of bids and bid information.

Section 7 exempts the act from provisions of K.S.A. 19-214 which requires bid procedures for the construction of a county courthouse, jail and other county buildings.

H/113



Turner Construction  
Company  
2345 Grand Boulevard,  
Suite 1000  
Kansas City, MO 64108  
phone: 816.283.0555  
fax: 816.283.0558

February 11, 2008

Senator Carolyn McGinn  
Kansas State Republican  
District 31  
11047 N. 87W  
Sedgwick, KS 67135

**Re: Senate Bill 485**

Dear Senator McGinn:

I have received a copy of the proposed Senate Bill #485 and have had the chance to review its contents. I am pleased to see the State of Kansas legislate a change in project delivery methods for the design and construction of certain types of facilities.

Being a national contractor with a Midwest office serving the State of Kansas, we strongly support your bill. We have just completed a high-profile facility for Kansas State University (Kansas State BioSecurity Research Institute), under special legislation utilizing the Phase I, II, and III selection process described in your Bill. Under private delivery approved by the State of Kansas and KDOT, we performed the same services on the highly successful Kansas Speedway project.

If this legislation had been approved in an earlier session, I am sure the Sedgwick County Arena project would have realized more competition and better pricing.

Please contact me if you would like to discuss my findings in more detail.

Sincerely,

Dewey P. Newton  
Vice President/General Manager

DPN:tat

Senate Waysand Means  
2-12-08  
Attachment 9



# WALTON CONSTRUCTION

February 7, 2008

The Honorable Senator Carolyn McGinn  
Kansas State Capital  
300 SW 10<sup>th</sup> Street, Room 222E  
Topeka, KS 66612

Re: Senate Bill 485 a/k/a  
County Alternative Project Delivery Building Construction Act

Dear Senator McGinn:

I am writing to lend my support of passing of the pending legislation related to alternative project delivery methods for construction projects funded with public money. Having reviewed Senate Bill No. 485 I can tell you that in my thirty years of building design and construction project delivery, this is a bill whose time has come in Kansas, or is perhaps overdue. Had legislation of this nature been in place previously our company may have looked more favorably on pursuing the Sedgwick County Arena project.

The eleven page Bill does provide an appropriate groundwork for the methods and means under which alternative project delivery can and should be used but only begins the substantive work that will need to be done to perfect implementation to save the citizens of the State of Kansas money and time in built projects. But I assure you that adoption of this Bill will do that time and time again.

Walton Construction Company is one of the largest general contractors operating nationally through five (5) division offices. Virtually everywhere we operate legislation previously adopted is resulting in better project delivery with better outcomes that exceed owner's expectations and result in an enhanced relationship between the end users, designers and contractors that build them. I applaud this bold step for the State of Kansas and champion the passage of Senate Bill 485 to enhance the business environment for us all.

Respectfully submitted,

Walton Construction Company, LLC



Dennis E. Thompson  
President, Kansas City Division

Senate Ways and Means  
2-12-08  
Attachment 10

WALTON CONSTRUCTION COMPANY, LLC.



*Building a Better Kansas Since 1934*  
200 SW 33<sup>rd</sup> St. Topeka, KS 66611 785-266-4015

**TESTIMONY OF  
ASSOCIATED GENERAL CONTRACTORS OF KANSAS  
BEFORE SENATE WAYS AND MEANS**

**SB 485**

February 12, 2008

By Eric Stafford, Associated General Contractors of Kansas, Inc.

Mister Chairman and members of the committee, my name is Eric Stafford. I am Associate Government Affairs Director for the Associated General Contractors of Kansas, Inc. The AGC of Kansas is a trade association representing the commercial building construction industry, including general contractors, subcontractors and suppliers throughout Kansas (with the exception of Johnson and Wyandotte counties).

**AGC of Kansas supports Senate Bill 485 as written and respectfully asks that you report it favorably for passage.**

Two years ago, the legislature passed House Bill 2394, enacting the Kansas alternative project delivery building construction procurement act for state agencies.

Nationwide, more owners, public and private, are considering alternative project delivery methods for construction projects rather than the traditional "design-bid-build" method where the lowest responsible bidder is selected.

AGC feels that if public dollars are used to finance a construction project, alternative project delivery methods should be used on an exception basis, only if it is shown that it is in the best interest of the public to use these alternative delivery methods over the traditional "design-bid-build" method.

SB 485, like HB 2394 in 2006, establishes transparent and objective selection criteria for county projects during the selection of a construction manager or design builder if alternative delivery methods are found to be suitable for the project. These guidelines will prevent political influence and favoritism toward one or more companies.

As more counties consider the use of alternative project delivery methods, AGC feels that all counties should use a selection process that will maintain the public trust through an open and objective selection process.

The AGC of Kansas **respectfully requests that you recommend SB 485 for passage.** Thank you for your consideration.

*Senate Ways and Means  
2-12-08  
Attachment 11*

# THE BUILDERS' ASSOCIATION

SERVING MISSOURI AND KANSAS

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## TESTIMONY BEFORE THE SENATE WAYS AND MEANS COMMITTEE REGARDING SENATE BILL 485

By Dan Morgan

The Builders' Association and Kansas City Chapter, AGC

February 12, 2008

Thank you, Mister Chairman, and members of the committee. My name is Dan Morgan. I am director of governmental affairs for the Builders' Association and the Kansas City Chapter of Associated General Contractors of America. The Builders' Association and KC Chapter, AGC represent more than 1,100 general contractors, subcontractors and suppliers engaged in the commercial and industrial building construction industry. Half of our members are located in the Kansas City area and are either domiciled in Kansas or perform work in the state. I appreciate the opportunity to appear in support of Senate Bill 485.

SB 485 is very similar to HB 2394 which was overwhelmingly approved by the Kansas Legislature in 2006. Like HB 2394 which authorized state agencies and the Board of Regents to procure building construction projects using alternative project delivery methods, SB 485 would allow county governments to select a construction manager or general contractor or a building design-build team based on a qualifications and best value approach rather than the traditional design-bid-build procurement method on appropriate projects.

When determining whether alternative delivery is appropriate for a project the board of commissioners would consider such factors as whether its use would result in substantial savings of time or money, whether there is a need to overlap the design and construction phases on the project and whether use of an accelerated schedule is needed to make repairs in an emergency situation. In other words, the use of alternative delivery is not intended as a substitute for awarding public contracts to the lowest responsible bidder. Rather, it is meant to provide a good alternative in appropriate circumstances and only after a determination has been made that it is in the public interest to use an alternative method of delivery.

In an environment where more and more local governments are opting to use alternative delivery on certain projects, we like the fact that SB 485 conforms to current law affecting state agencies and establishes procedures for all counties to follow when awarding such contracts. We respectfully ask that you recommend SB 485 favorably as drafted.

*Senate Ways and Means  
2-12-08  
Attachment 12*



**Testimony Before the  
Senate Ways & Means Committee**

**In Support of Senate Bill 485**

**Presented on Behalf of  
The Board of County Commissioners  
of Johnson County, Kansas**

**By Joe Waters  
Director of Facilities**

**February 12, 2008**



Good Morning, my name is Joe Waters. I am the Director of Facilities for Johnson County Government, and I appear here today on behalf of the Board of County Commissioners of Johnson County. I am an Architect with over 25 years experience in public and private sector, primarily in the State of Kansas. I appreciate the opportunity to appear before the Committee and to present testimony regarding Senate Bill 485.

Johnson County is supportive of allowing County Commissioners the option to utilize alternative project delivery methods for construction projects. County Commissioners are limited today to the traditional Design/Bid/Build project delivery method, yet every construction project has unique challenges that are not always conducive to the traditional delivery method. Senate Bill 485 expands the options available to include Construction Management at Risk and Design/Build, giving the County Commissioners the opportunity to determine the delivery method best suited to meet the challenges of a given project.

While we are supportive of the intent, we believe the current version of Senate Bill 485 requires modifications. We believe the bill is too prescriptive, particularly as it relates to procedures, and request that it be structured as enabling legislation leaving the details of procedure to the County Commissioners. Business processes often vary from one County to another, and the more prescriptive the language the more conflicts there will be and the more difficult it will be to put to use. For instance, New Section 3c identifies a procedure for County Commissioners approving alternative delivery methods on a project-by-project basis that would be unnecessarily burdensome for a County that undertakes a large number of projects each year (we have 30 to 40 projects underway at any given time). We also believe that the process should be customized at times to a given project. For example, New Section 4d requires no less than 3 Construction Managers or Contractors be pre-qualified or the traditional Design/Bid/Build approach must be used. There are unique trades, such as complex security electronics, for which alternative project delivery methods may be ideally suited but for which we may only be able to solicit 2 responses. Enabling County Commissioners to utilize alternative delivery methods and leaving them with the responsibility to create processes that align with their business practices and/or to match a given project will make this legislation most successful.

However, if the Committee chooses to continue the more detailed approach, there are a number of modifications we believe are needed to make it more consistent and functional "on the ground" so to speak. For example, requiring notification by the County Clerk (numerous locations in the bill) is a duty not performed by our County Clerk today. All notifications related to projects of this nature are done through our Purchasing Division. Another example might be New Section 4b which appears to limit how early the Construction Manager at Risk may be brought into the project ("as early as during the schematic design phase"). The Construction Manager at Risk can bring a great deal of value even earlier on some projects, we would like to have the ability to bring them in at project initiation.

In addition, the current version does not include infrastructure such as road, bridge and stormwater projects. Johnson County believes that infrastructure projects can also benefit





significantly from alternative project delivery methods and ask that the Committee consider their inclusion in Senate Bill 485.

I would appreciate the opportunity to work with other interested parties in the next week or two on refinements. I am confident that we can improve the bill to make it as effective as possible. Ideally, as noted above, by making it an enabling document and less prescriptive and process oriented, but at a minimum by working through the details so that it will be as effective as possible.

The primary goals in capital projects are to deliver the highest quality projects, on time, within budget and meeting or exceeding the expectations of the public. The project delivery method chosen can be crucial to meeting quality and schedule challenges and can be the single most important decision in ultimately delivering a project within budget. We support the intent of Senate Bill 485 that would give County Commissioners this valuable tool.

Thank you for your time and I will be happy to answer any questions you may have.

\*\*\*\*\*

# THE KANSAS CONTRACTORS ASSOCIATION, INC.



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Paola, Kansas

DON CLARKSON, Vice President  
Kansas City, Missouri

KIP SPRAY, Treasurer  
Great Bend, Kansas

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MARY SULLIVAN  
Kansas City, Kansas

## Testimony

By the Kansas Contractors Association

before the Senate Ways and Means Committee

regarding SB 485

February 12, 2008

Mr. Chairman and members of the Senate Ways and Means Committee, I am Bob Totten, Public Affairs Director for the Kansas Contractors Association. Our organization **represents over 350 companies** who are involved in the construction of highways and water treatment facilities in Kansas and the Midwest.

Today, I am here today to tell you the Kansas Contractors Association is still wary of a different way to procure bids by government entities. I testified several years ago about our concerns when it came to state work and our members were pleased that you and the legislature excluded the highway industry from using anything but the lowest and best bid when it comes to highway work.

We are pleased that this bill does the same in excluding counties from using anything but the lowest and best bid process for the construction of roads and bridges.

*Senate Ways and Means  
2-12-08  
Attachment 14*

Still, we are fearful that using a different bid process opens up the procurement situation to charges of favoritism. I realize there are safeguards built into the language in this measure however when the discussion nowadays is always on transparency and making sure all citizens are aware of what is happening I find it somewhat ironic.

Just because everyone knows what is going on doesn't always make it right. When I read this bill it seems to me that no matter it comes down to the majority of the county commission deciding which firm is going to get the work.

As long the bill is in its present form, we do not oppose this measure.

I thank you for your time this afternoon and would be glad to answer your questions.



**KANSAS**  
ASSOCIATION OF  
**COUNTIES**

**WRITTEN TESTIMONY**

concerning Senate Bill No. 485  
**COUNTY DESIGN-BUILD AUTHORITY**  
Presented by Randall Allen, Executive Director  
Kansas Association of Counties  
February 12, 2008

Mr. Chairman and members of the committee, thank you for the opportunity to submit written testimony in support of SB 485. I regret that I am not available to testify in person today. County Government Day 2008 is being held today at the Capitol Plaza Hotel, and county officials from across Kansas are in Topeka to learn about legislative issues and to visit with legislators about their respective concerns.

The Kansas Association of Counties is supportive of the base bill as printed, because it gives counties permissive authority to institute an alternative design-build process for the design and construction of county facilities. This may be an appealing alternative to more conventional processes for constructing county facilities. Authority to enter into such a process would be granted to a board of county commissioners, the county's governing body.

We would also like to submit an amendment to this bill to meet a concern long-expressed by our members. Our proposed amendment is in Section 7 of SB 485 (page 10), which amends K.S.A. 19-214. Currently, K.S.A. 19-214 provides that "all contracts for the expenditure of county moneys for the construction of any courthouse, jail or other county building, or the construction of any bridge in excess of \$10,000, shall be awarded, on a public letting, to the lowest and best bid."

The Kansas Association of Counties has consistently advised county counselors and county commissioners that the current \$10,000 threshold triggering the bidding requirement applies to remodeling projects on existing facilities as much as it does to "construction" projects. While we have consistently taken a conservative approach in interpreting this statute (one that treats remodeling of existing facilities just like it does initial construction), counties across Kansas have long felt that the threshold is much too low, in that scarcely anything can be done within a county facility (e.g. Courthouse) for less than \$10,000.

There is a cost to the county (taxpayers) for the bidding process, and particularly for small projects, it is sometimes in the taxpayers' best interest to forego the bidding process and directly contract with an individual or firm with whom the board of county commissioners is confident can and will do a good job.

300 SW 8th Avenue  
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Topeka, KS 66603-3912  
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*Senate Ways and Means  
2-12-08  
Attachment 15*

As such, the Association urges that the threshold language in Section 7 of SB 485 be amended from \$10,000 to \$25,000, with additional provision for annual escalation of the threshold so that this topic does not have to be addressed on a recurring basis by the Legislature. A county in Senator Derek Schmidt's district (Woodson) requested a legislative change in this very bidding threshold in response to problems which arose in repairing county buildings after the 2007 flooding in southeast Kansas, and Senator Schmidt offered a bill draft (attached), which he shared with us and which we support. The change from \$10,000 to \$25,000 reflects, by the way, the change in value from applying the Consumer Price Index for all urban consumers to the \$10,000 value from the time it was enacted into law to the present date.

Unquestionably, threshold values like the \$10,000 figure in K.S.A. 19-214 merit re-evaluation from time to time, and the indexing language proposed by Senator Schmidt in the attached draft is a way to ensure that future limitations are more realistic.

As such, we support SB 485, with the amendment to K.S.A. 19-214 in the attached bill draft as provided by Senator Derek Schmidt, and urge the Committee to report SB 485, as amended, favorably for passage. Thank you for the opportunity to comment on this bill.

**Attachment:** Bill Draft of Senator Derek Schmidt, with suggested language for Section 7 of SB 485

The Kansas Association of Counties, an instrumentality of member counties under K.S.A. 19-2690, provides legislative representation, educational and technical services and a wide range of informational services to its member counties. Inquiries concerning this testimony should be directed to Randall Allen or Judy Moler by calling (785) 272-2585.



SENATE BILL NO. \_\_\_\_\_

By Senator D. Schmidt

AN ACT concerning certain county contracts; relating to bidding requirements; amending K.S.A. 19-214 and repealing the existing section.

*Be it enacted by the Legislature of the State of Kansas:*

Section 1. K.S.A. 19-214 is hereby amended to read as follows: 19-214. (a) Except as provided in subsection (b) and in K.S.A. 19-216a, all contracts for the expenditure of county moneys for the construction of any courthouse, jail or other county building, or the construction of any bridge in excess of ~~\$10,000~~ the amount specified in subsection (c), shall be awarded, on a public letting, to the lowest and best bid. The person, firm or corporation to whom the contract may be awarded shall give and file with the board of county commissioners a good and sufficient surety bond by a surety company authorized to do business in the state of Kansas, to be approved by the county attorney or county counselor, in the amount of the contract, and conditioned for the faithful performance of the contract.

(b) The provisions of subsection (a) shall not apply: (1) To the expenditure of county funds for professional services; (2) to the provisions of K.S.A. 68-521, and amendments thereto; or (3) to the purchase of contracts of insurance.

(c) The minimum amount of county moneys for which contracts shall be awarded as required in subsection (a) shall be determined as follows:

(1) For the fiscal year ending on December 31, 2008, the minimum amount shall be \$25,000.

(2) For each subsequent fiscal year after 2008, the amount shall be determined by the county commission on or before January 1 of such fiscal year and shall be equal to the minimum amount

for the preceding fiscal year plus an additional amount determined by the county commission to be proportionally equal to the increase, if any, by which the consumer price index for all urban consumers published by the United States department of labor for the preceding calendar year, exceeds that index for the second preceding calendar year.

Sec. 2. K.S.A. 19-214 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.

## Background

In 2005, the Hugo Wall School of Urban and Public Affairs at Wichita State University published the "State of Kansas 2005 Debt Affordability Report". This report compiled and analyzed a large amount of data regarding the debt of the State; its historical trends; and, in comparison with other states.

In the Legislative sessions subsequent to this report, various legislative committees discussed formalizing a State debt policy and annual debt studies through legislation. Senate Bill 193 of the 2007 Session was the most advanced step in formalizing this process, however the bill was not passed by the end of the session.

With this report, KDFA hopes to help advance the formalization of an annual debt study and provide relevant data to assist policymakers in making financing decisions for the State. The purpose of this 2007 Debt Study is to give policymakers a picture of the State's debt position on June 30, 2007. It is anticipated that this report will be prepared annually such that the State's debt trends can be monitored. Further, the report makes some projections to help policymakers understand and measure the financial impact of future debt issuance.

The information generated by this analysis will be provided to the KDFA Board of Directors; the Governor's office; the State Budget Director; and, members of the Legislature. The analysis can be updated as revenue estimating forecasts are revised. The information can be used by the legislature to establish priorities during the legislative appropriation process. Additionally, as the legislature considers new financing initiatives, the long-term financial impact of any proposal can be evaluated upon request. The information generated by this analysis is important for policymakers to consider because their decisions on additional borrowing affect the fiscal health of the State.

This study is not meant to be a replication of the Comprehensive Annual Financial Report's (CAFR) Long-term Obligations section. The CAFR is prepared annually by the Division of Accounts and Reports.

## Terminology & Nomenclature

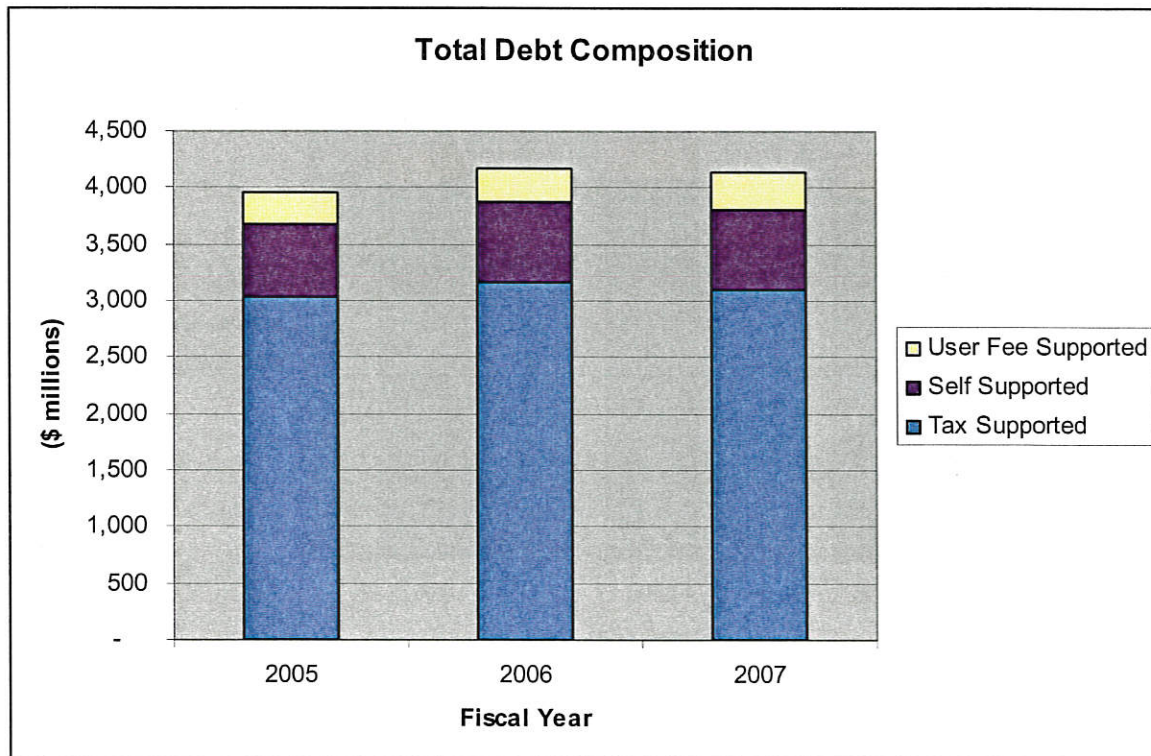
**User-Fee Supported Debt** is debt secured by revenues generated from the operation of the associated facilities that were financed by the debt issuance. *These obligations are not secured by traditional State tax revenues.* None of this debt is secured by a general obligation pledge or an annual appropriation by the Legislature of State revenues. Tabulated in Appendix page A-1.

**Self-Supporting Debt** *is the primary obligation of a legal entity other than the State* (in most cases these entities are city and county government units in the State). None of this debt is secured by a general obligation pledge or an annual appropriation by the Legislature of State revenues. Tabulated in Appendix page A-2.

**Tax-Supported Debt** is debt secured by traditional State revenues typically generated through taxation. For each debt issuance a specific pledge of revenues has been made to secure the repayment of principle and interest for the bonds (e.g. Highway Fund revenues for KDOT debt). None of this debt is secured by a general obligation pledge of State revenues. A portion of this debt is secured by an annual appropriation pledge by the Legislature. Tabulated in Appendix pages A-3 through A-5.

## Debt Outstanding

Total State debt outstanding at June 30, 2007 was \$4.132 billion approximately \$39.9 million LESS than at June 30, 2006. User-fee supported debt totaled \$326.2 million (Appendix page A-1). This represented a \$25.6 million INCREASE from the prior year. Additionally, self-supporting debt outstanding at June 30, 2007 was \$705.6 million which was \$5.1 million LESS than at June 30, 2006 (Appendix page A-2). Tax-supported debt totaled \$3.100 billion for financings supported by State tax revenues or tax-like revenues which was an annual DECREASE of approximately \$60.4 million (Appendix pages A-3 to A-5). Approximately one quarter of all debt is supported by the State General Fund (SGF).

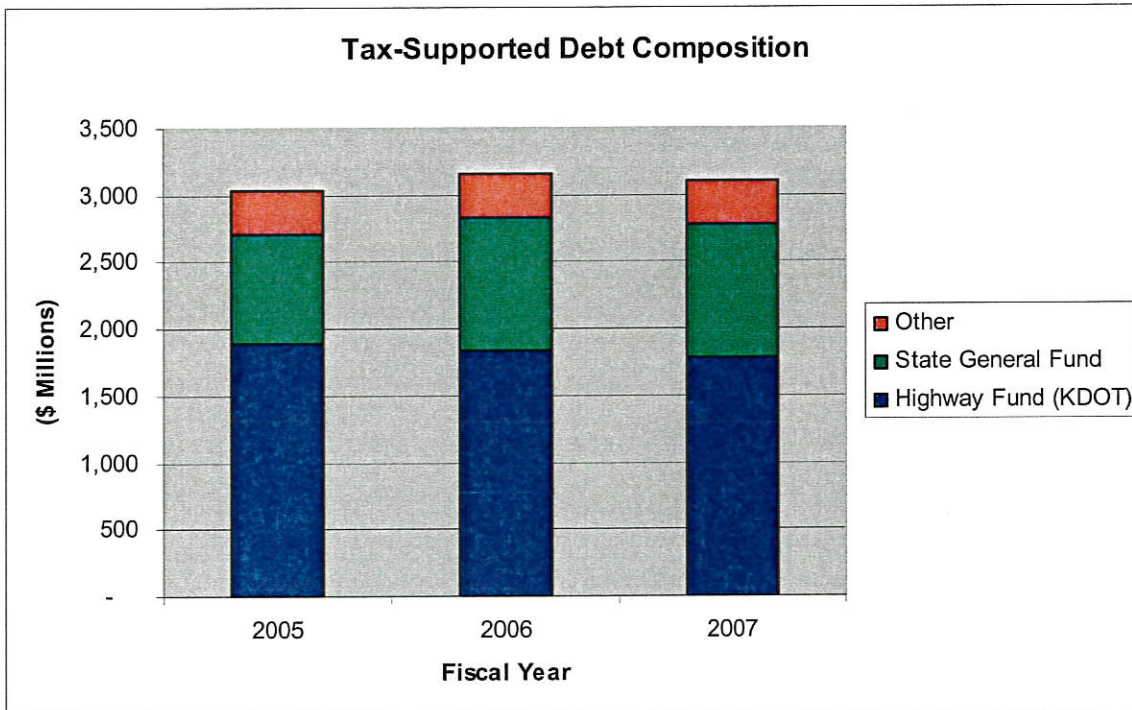


<b>TOTAL DEBT</b> (\$ Millions)	<i>Fiscal Year End</i>					
	2005		2006		2007	
User Fee Supported	278	7.0%	301	7.2%	326	7.9%
Self Supported	642	16.2%	711	17.0%	706	17.1%
Tax Supported	3,040	76.8%	3,160	75.8%	3,100	75.0%
<b>Total</b>	<b>3,960</b>		<b>4,171</b>		<b>4,132</b>	



## Tax-Supported Debt

Tax-supported debt composes the majority of the State's debt. Further, the majority of tax-supported debt comes from the State's investment in transportation infrastructure as detailed below. Highway Fund (KDOT) debt was issued in conjunction with the State's Comprehensive Transportation Programs and is financed by motor fuel taxes, vehicle registration fees, sales taxes and federal aid reimbursements (Appendix A-5). State General Fund debt is backed by an annual appropriation pledge from the Legislature (Appendix A-4). Other Tax-Supported debt includes bonds secured by the Educational Building Fund and other Special Revenue Funds (Appendix A-3).



<b>TAX-SUPPORTED DEBT</b>	<i>Fiscal Year End</i>					
	<i>2005</i>		<i>2006</i>		<i>2007</i>	
(\$ Millions)						
Other	329	10.8%	326	10.3%	328	10.6%
State General Fund	822	27.0%	992	31.4%	982	31.7%
Highway Fund (KDOT)	1,889	62.1%	1,842	58.3%	1,789	57.7%
<b>Total</b>	<b>3,040</b>		<b>3,160</b>		<b>3,100</b>	

## State General Fund Debt Ratio

While there has been measurable growth in the percentage of SGF Revenues going towards debt service over the past several years, the overall percentage of SGF Revenues going towards debt service is small. The largest contributors for the growth in SGF Debt Service in recent years are from the following issuances of debt:

- 2004C Kansas Public Employees Retirement System (\$500.0M)
- 2005H State of Kansas Projects (\$88.2M)
  - Refunding prior SGF bonds - \$43.0M
  - Capitol Restoration - \$27.2M
  - Unemployment Benefit System - \$18.0M
- 2006A Kansas Department of Administration – Comprehensive Transportation Program (\$209.5M)

<b>SGF DEBT RATIO</b> (Millions)	<i>Fiscal Year</i>			
	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008*</i>
SGF Revenue	\$4,841.3	\$5,394.4	\$5,721.3	\$6,170.1
SGF Debt Service	\$39.7	\$48.2	\$63.3	\$86.0
Debt Service as % of Revenue	0.82%	0.89%	1.11%	1.39%
2004C Debt Service	\$0.0	\$10.0	\$15.0	\$26.1
2005H Debt Service	N/A	\$1.3	\$7.0	\$7.0
2006A Debt Service	N/A	N/A	\$4.8	\$16.2

\* *estimated*

## Proposed Debt Issuance

As of June 30, 2007, approximately \$395 million of debt is expected to be issued over the next several years based on current authorizations from the State Legislature. The largest portion of this additional authorized debt (\$138 million) is for state building renovation and expansion at the Capitol, Correction Facilities, Armories and a new Adjutant General Training Center near Salina. The next largest portion of this additional authorized debt (\$100 million) is from the Post-Secondary Educational Institution (PEI) loan program created by in the most recent legislative session (HB 2237). This program provides subsidized loans to post-secondary educational institutions (defined as community colleges, technical schools and Washburn University in the legislation). The loans are subsidized by the SGF, which pays the interest on the bonds issued to finance the loans, whereas the PEI repays the principal of the loans and thereby the principal on the bonds. The purpose of the loans is to assist the PEIs with maintaining their infrastructure.

### Authorized Proposed Debt Issuance

DESCRIPTION	AUTHORIZED BY	BALANCE AT 06/30/06	ISSUED IN FY 2007	AUTHORIZED IN FY 2007	BALANCE AT 06/30/07	ISSUED YTD FY 2008	Repayment Security
KSU Greenhouse Lab	SB 225 Sec 161, pg 162	1,700,000			1,700,000		Tax - EBF
KSU Horticulture Research Center	SB 225 Sec 161, pg 162	1,500,000			1,500,000		Tax - EBF
				subtotal	3,200,000		Tax -Other
BOR Community College loans (PEI Loan Program)	HB2237 Sec. 12 Page 4			100,000,000	100,000,000		SGF - Interest; Self-Supporting - Principal
Adjutant General - renovate armories	HB2482, Sec 47, pg 22	9,000,000	3,000,000		6,000,000		Tax - SGF
Adjutant General - training center	SB 357 Sec 54g			9,000,000	9,000,000	9,000,000	Tax - SGF
DOA - Capital Renovations	SB 480, Ch 174 & Ch 206	16,227,091	7,207,080		9,020,011	9,020,011	Tax - SGF
Dept of Corrections - cap improvement	HB 2368 Sec 185 Page 202			19,250,000	19,250,000	19,250,000	Tax - SGF
Dept of Corrections - expand prison capacity	HB 2368 Sec 185 Page 201			39,525,000	39,525,000		Tax - SGF
DOA - Capitol Renovations	HB 2368 Sec 171 Page 185			55,000,000	55,000,000	17,979,989	Tax - SGF
				subtotal	243,177,888	55,250,000	Tax - SGF
KSU Salina Campus Student Life Center	S Sub for HB 2968 Pg 17	2,000,000			2,000,000		User-Fee
University Research & Dev. KSU, Wichita State & Pittsburg State	SB225, Sec 167, Pg 169	5,000,000			5,000,000		User-Fee
KSU Child Care Facility	HB 2368 Sec. 173 Page 188			6,000,000	6,000,000		User-Fee
KUMC parking facilities 4	HB 2368 Sec. 179 Page 194			8,150,000	8,150,000		User-Fee
KU Law Enforcement Training Facility	HB 2368 Sec. 178 Page 193			16,421,600	16,421,600	16,421,600	User-Fee
KSU parking garage	HB 2368 Sec. 173 Page 187			17,500,000	17,500,000	17,500,000	User-Fee
KSU Housing ( JARDINE)	SB225, Sec 160, Pg 161	63,136,229	25,136,229		38,000,000		User-Fee
KUMC ambulatory care facility	HB 2368 Sec. 179 Page 196			55,645,000	55,645,000		User-Fee
				subtotal	148,716,600	33,921,600	User-Fee
				TOTAL	395,094,488	89,171,600	

This table does not take into account future plans for: additional costs anticipated for Capitol Restoration; preliminary plans for the renovation or reconstruction of the Docking State Office Building; the next transportation program; or, any other planned capital expenditure that has not already been authorized by the Legislature to be financed through debt issuance.

The projects identified in the table above are authorized to be financed through debt issuance. Certain projects may have already been financed, and the authorization represents unissued debt which may be issued, if necessary, to complete the project, or may contain remainder authorization that ultimately will not be needed or issued. In some instances, the agencies elect to pursue a different course, and debt may never be issued for an authorized project.

As indicated by the second to last column, \$89.2 million of the outstanding authorizations at the end of Fiscal Year 2007 had been issued in the first half of Fiscal Year 2008.

***The estimated additional burden on the SGF in Fiscal Year 2009 from debt service if all of the SGF backed authorized debt was issued in Fiscal Year 2008 would be \$12.3 million which is about 0.2% of estimated Fiscal Year 2009 SGF revenue.*** This value was estimated using 20 year level debt service and an interest rate of 5% for the SGF authorizations indicated above except for the PEI Loan Program. For the PEI Loan Program, only \$20 million of the \$100 million can be issued in Fiscal Year 2008; the program amortizes its debt over eight years; and, the SGF is only responsible for the repayment of interest.

## Surrounding State Comparison

In April or May of each year, Moody's Investor Services has published a report titled "State Debt Medians". With this report Moody's calculates a handful of debt ratios for all fifty states and tabulates the results listing all the states in order for the various ratios. In the 2007 report the following data can be found for Kansas and surrounding states for comparison:

State	Net Tax-Supported Debt <sup>(1)</sup> Per Capita	Rank	Net Tax-Supported Debt as a % of 2005 Personal Income	Rank	Moody's Rating
Kansas	\$1,218	16	3.7%	18	Aa1 <sup>(2)</sup>
Oklahoma	\$450	39	1.5%	38	Aa2
Colorado	\$343	43	0.9%	44	NGO <sup>(3)</sup>
Nebraska	\$24	50	0.1%	50	NGO <sup>(3)</sup>
Iowa	\$104	48	0.3%	48	Aa1 <sup>(2)</sup>
Missouri	\$613	33	1.9%	34	Aaa
Surrounding Average	\$459		1.4%		
US Average	\$1,101		3.2%		

Notes: (1) Moody's defines Net Tax-Supported Debt to include some User-Fee Supported Debt. In the case for Kansas, this figure includes SGF backed debt, all other Tax-Supported debt including KDOT debt, and the majority of User-Fee Supported Debt. Further Moody's methodology does not appear to be consistent from one state to the next. A similar S&P's study yields consistent results

(2) Issuer Credit Rating

(3) No General Obligation Rating

While Kansas's ratios are measurably higher than the surrounding state group's, *it is important to note that Moody's rating, which is an "all in" measure of a state's ability and willingness to pay its obligations on time, is consistent with the surrounding state group.* Further, different states make different financing choices which leads to variations in the level of services provided by the state and the condition of the state's infrastructure.

*Kansas's ability and cost to using debt as a financing tool is determined by our credit rating not by the ranking in this study.* In fact, while Oklahoma's per capita rankings are much lower than Kansas's, their credit rating is one notch lower. Further, Iowa's per capita rankings are near the bottom of the rankings but has the same credit rating as Kansas.



Finally, if comparisons are made on a GROSS tax-supported debt basis, Kansas's position in the rankings changes measurably. Moody's states: "...gross debt, which includes contingent liabilities that may not have direct tax-support but are included in state audited financial statements."

State	Gross Tax-Supported Debt Per Capita	Rank	Gross Tax-Supported Debt as a % of 2005 Personal Income	Rank	Moody's Rating
Kansas	\$1,303	28	4.0%	30	Aa1 <sup>(1)</sup>
Oklahoma	\$464	48	1.5%	48	Aa2
Colorado	\$1,784	18	4.7%	25	NGO <sup>(2)</sup>
Nebraska	\$25	50	0.1%	50	NGO <sup>(2)</sup>
Iowa	\$899	39	2.6%	40	Aa1 <sup>(1)</sup>
Missouri	\$625	44	1.9%	45	Aaa
Surrounding Average	\$850		2.5%		
US Average	\$1,802		5.3%		

Notes: (1) Issuer Credit Rating  
(2) No General Obligation Rating

## Review of Credit Ratings

Credit ratings are the rating agencies' assessments of a governmental entity's ability and willingness to repay debt on a timely basis. Credit ratings are an important indicator in the credit markets and influence interest rates a borrower must pay. Each of the rating agencies believe that debt management generally, and this debt report in particular, are positive factors in assigning credit ratings.

Kansas is a strong credit as reflected in our AA+ and Aa1 ratings from S&P and Moody's respectively. There are several factors which rating agencies analyze in assigning credit ratings: financial factors, economic factors, debt factors, and administrative / management factors. Weakness in one area may well be offset by strength in another. However, significant variations in any single factor can influence a bond rating.

Kansas's economy continued to demonstrate growth in Fiscal Year 2007. Actual general revenue collections for Fiscal Year 2007 were \$76.6 million more than the April 2007 estimates. The latest general revenue forecast completed in November 2007, projects a \$91.7 million decrease for Fiscal Year 2008, and a \$452.8 million increase in Fiscal Year 2009.

The outlook for the State's credit rating is stable. The rating agencies note that the State's debt burden has increased in recent years. However, the debt burden is still considered low to moderate at the current level. Positive factors listed in the rating reports include: substantial rebuilding of available balances in the last three fiscal years; positive economic trends; likely positive budgetary impact from recent gaming legislation; and, a relatively diverse economic base. However, challenges to the State's rating are presented by: budgetary pressure from education funding increases ordered by the Kansas Supreme Court; and, budgetary pressure from statutorily required pension fund increases and debt service on pension obligation bonds.

## User-Fee Supported Debt

Source of Repayment: revenues generated from the operation of the associated facilities that were financed by the debt issuance. These obligations are not secured by traditional State tax revenues. None of this debt is secured by a general obligation pledge or an annual appropriation by the Legislature of State revenues.

Series	Title	Balance 6/30/07
E, 1989	Kansas Board of Regents - Emporia State University Memorial Union Renovation Project	358,049
K, 1995	Kansas Board of Regents - Kansas State University Farrell Library Expansion Project	2,390,000
1997C	Kansas Board of Regents - University of Kansas Regents Center Refunding Project	1,115,000
1998B	Kansas Board of Regents - Kansas State University Student Union Renovation and Expansion Project	6,490,000
1998D	Kansas Board of Regents - University of Kansas Housing System Renovation Project - Lewis Hall Project	3,350,000
1998E	Kansas Board of Regents - Pittsburg State University Housing System Renovation Project - Willard Hall Project	3,980,000
1998H	Kansas Board of Regents - University of Kansas Continuing Education Building Purchase Project	1,235,000
1998P	Kansas Board of Regents - Pittsburg State University Horace Mann Administration Building Renovation Project	2,705,000
1999B	Kansas Board of Regents - University of Kansas Medical Center - Center for Health in Aging Project	2,175,000
1999C	Kansas Board of Regents - University of Kansas Child Care Facility Construction Project	2,310,000
1999D	Kansas Board of Regents - University of Kansas Parking Garage #2 Construction Project	5,210,000
2000B	Kansas Board of Regents - Wichita State University Parking System Project	3,780,000
2000D	Kansas Board of Regents - Kansas State University Ackert Hall Addition Project	1,140,000
2001B	Kansas Board of Regents - Emporia State University Student Recreation Facility Project	2,220,000
2001G-1	Kansas Board of Regents - Kansas State University - Salina, College of Technology Housing System Project	540,000
2001G-2	Kansas Board of Regents - Kansas State University Recreation Complex Expansion Project	3,910,000
2001G-3	Kansas Board of Regents - Emporia State University - Residence Hall Project	335,000
2001G-4	Kansas Board of Regents - University of Kansas Lawrence Campus Parking Facilities Project	700,000
2001T-1	Kansas Board of Regents - University of Kansas Bioscience Research Center Project	4,840,000
2001T-2	Kansas Board of Regents - University of Kansas Student Union Renovation Project	2,520,000
2002A-1	Kansas Board of Regents - University of Kansas Housing System Renovation Project- Ellsworth Hall	10,270,000
2002A-2	Kansas Board of Regents - University of Kansas Student Recreation and Fitness Center Project	11,175,000
2002K	Kansas Board of Regents - University of Kansas Edwards Campus Project	5,120,000
2002P	Kansas Board of Regents - Wichita State University Housing System Renovation Project	10,265,000
2003A	Kansas Board of Regents - Pittsburg State University Overman Student Center Renovation Project	2,255,000
2003C	Kansas Board of Regents - Scientific Research & Development Facilities Project - \$72,670,000	-
2003C	Kansas Board of Regents - Scientific Research & Development Facilities Project - KSU Food Safety	8,839,954
2003C	Kansas Board of Regents - Scientific Research & Development Facilities Project - KUMC Biomedical Research	13,447,616
2003C	Kansas Board of Regents - Scientific Research & Development Facilities Project - KU Biosciences Research	2,145,000
2003D-1	Kansas Board of Regents - Fort Hays State University Housing System Refunding & Renovation Project (refunds 1994E)	4,750,000
2003D-2	Kansas Board of Regents - Fort Hays State University Housing System Lewis Field Stadium Renovation Project (refunds 1993C)	915,000
2003J	State of Kansas Projects - \$40,235,000	
2003J-1	Kansas Board of Regents - Energy Conservation Projects - KUMC	11,850,000
2003J-1	Kansas Board of Regents - Energy Conservation Projects - KSU	18,800,000
2004D	Kansas Board of Regents Pittsburg State University Housing System Renovation Project - Bonita Terrace Apartments	1,195,000
2005A	Kansas State University Housing System, Manhattan Campus - Jardine	43,695,000
2005D	Kansas Board of Regents - Scientific Research & Development Facilities Project - Phase II - \$66,530,000	
2005D	Kansas Board of Regents - Scientific Research & Development Facilities Project - KSU	18,680,000
2005D	Kansas Board of Regents - Scientific Research & Development Facilities Project - KUMC	23,195,000
2005D	Kansas Board of Regents - Scientific Research & Development Facilities Project - Aviation Research Facility	-
2005D	Kansas Board of Regents - Scientific Research & Development Facilities Project - WSU	5,788,000
2005D	Kansas Board of Regents - Scientific Research & Development Facilities Project - PSU	3,000,000
2005E-1	Kansas Board of Regents - University of Kansas Housing System Refunding	15,750,000
2005E-2	Kansas Board of Regents - University of Kansas Medical Center - Parking Garage #3	3,210,000
2005F	Kansas Board of Regents - Emporia State University Towers Residential Complex Imprvmt. Proj.	8,930,000
2005G-1	Kansas Board of Regents - Fort Hays State University Memorial Union Renov.-(Tax-Exempt)	7,205,000
2005G-2	Kansas Board of Regents - Fort Hays State University Memorial Union Renov.-(Taxable)	585,000
2006B	Kansas Board of Regents - KU Parking Facilities Proj.	9,790,000
2007A	Kansas Board of Regents - Kansas State University Housing System, Manhattan Campus Project, Jardine Apartments	27,750,000
2007E	Kansas Board of Regents - University of Kansas Student Recreation Center	6,275,000
	<b>total</b>	<b>326,183,620</b>

Note: Series 2003C and 2005D are hybrid credits in that debt service for the bonds is secured partially by appropriations from the SGF and partially by university research revenue. The pro rata portion of the debt that is the responsibility of the universities' research revenues is presented on this table. The pro rata portion of the debt that is the responsibility of the SGF is presented on the Tax-Supported Debt - State General Fund Table.

## Self-Supporting Debt

Source of Repayment: Loan agreements with city and county governments in the State. None of this debt is secured by a general obligation pledge or an annual appropriation by the Legislature of State revenues.

Series	Title	Balance 6/30/07
1997 Series 1	Kansas Department of Health and Environment - Public Water Supply Revolving Loan Fund State Match Bonds	820,000
1997 Series 2	Kansas Department of Health and Environment - Public Water Supply Revolving Loan Fund Leveraged Bonds	12,005,000
1998 Series 1	Kansas Department of Health and Environment - Public Water Supply Revolving Loan Fund State Match Bonds	1,135,000
1998 Series 2	Kansas Department of Health and Environment - Public Water Supply Revolving Loan Fund Leveraged Bonds	13,590,000
1998 Series II	Kansas Department of Health and Environment - Water Pollution Control Revolving Loan Fund Leveraged Bonds	35,515,000
2000 Series I	Kansas Department of Health and Environment - Water Pollution Control Revolving Loan Fund State Match Bonds	1,945,000
2000 Series II	Kansas Department of Health and Environment - Water Pollution Control Revolving Loan Fund Leveraged Bonds	13,265,000
2000 Series 1	Kansas Department of Health and Environment - Public Water Supply Revolving Loan Fund State Match Bonds	1,115,000
2000 Series 2	Kansas Department of Health and Environment - Public Water Supply Revolving Loan Fund Leveraged Bonds	20,145,000
2001 Series I	Kansas Department of Health and Environment - Water Pollution Control Revolving Loan Fund State Match Bonds	10,455,000
2001 Series II	Kansas Department of Health and Environment - Water Pollution Control Revolving Loan Fund Leveraged Bonds	115,370,000
2002 Series 1	Kansas Department of Health and Environment - Public Water Supply Revolving Loan Fund State Match Bonds	3,680,000
2002 Series 2	Kansas Department of Health and Environment - Public Water Supply Revolving Loan Fund Leveraged Bonds	22,800,000
2002 Series II	Kansas Department of Health and Environment - Water Pollution Control Revenue Bonds	63,095,000
2004 Series I	Kansas Department of Health and Environment - Water Pollution Control Revolving Loan Fund State Match Bonds	2,000,000
2004 Series II	Kansas Department of Health and Environment - Water Pollution Control Revolving Loan Fund Leveraged Bonds	42,950,000
2004 Series II	Kansas Department of Health and Environment - Water Pollution Control Revolving Loan Fund Refunding	2,190,000
2004 Series 2	KDHE Drinking Water - Leveraged	93,255,000
2004 Series 2	KDHE Drinking Water - Leveraged Refunding	72,765,000
2004 Series 1	KDHE Drinking Water - State Match Refunding	6,440,000
2005 CW-I	KDHE Clean Water - State Match I (New & Refunding)	4,565,000
2005 CW-II	KDHE Clean Water - Leveraged II (New & Refunding)	109,250,000
2005 TR	Kansas Dept. of Transportation Revolving Loan Fund	32,490,000
2006 TR	Kansas Dept. of Transportation Revolving Loan Fund	24,755,000
	<b>total</b>	<b>705,595,000</b>

<b>Tax-Supported Debt</b>		
<b>Other</b>		
Source of Repayment: Specific revenue fund OTHER THAN the State General Fund (SGF).		
<b>Series</b>	<b>Title</b>	<b>Balance 6/30/07</b>
1998L	Memorial Hall	3,990,000
1999N	DOA 7th & Harrison (partially refunded by 2002J)	1,005,000
1997G-1	Kansas Board of Regents - Comprehensive Rehabilitation and Repair Project	1,011,100
1997G-2	Kansas Board of Regents - Comprehensive Rehabilitation and Repair Project	7,000,000
1998V	Kansas Department of Commerce and Housing - IMPACT Program Project	1,505,000
1999E	Kansas Department of Commerce and Housing - IMPACT Program Project	7,965,000
2001D	JJA Larned and Topeka Juvenile Correctional Facilities	39,025,000
2001F	Kansas Board of Regents - Comprehensive Rehabilitation and Repair Project	15,790,000
2001J	JJA Juvenile Correctional Facilities (Refunds 1992H)	2,750,000
2001M	Kansas Department of Commerce and Housing - IMPACT Program Project	15,405,000
2001S	Series 2001S - State of Kansas Projects:	
2001R	Highway Patrol Training Facility (Refunding of 1992T)	470,000
2001W	Series 2001W State of Kansas Projects: ( 49,865,000.00)	
2001W-1	HR Acquisition & Renovation	1,445,000
2001W-2	KDHE Vital Statistics	1,410,000
2002H	DHR Acquisition & Renovation Project - 1430 Building (legally changed to DOL)	3,030,000
2002J	DOA 7th & Harrison State Office Project (Partially refunds 1999N)	31,260,000
2002N-1	SRS Larned State Hospital	42,430,000
2002N-2	KHP Fleet Operations Project	3,115,000
2004A	State of Kansas Projects - \$50,730,000	
2004A-1	Dept of Social and Rehabilitation Services - Renovation & Repairs	29,995,000
2004A-3	Kansas Highway Patrol - Facility Acquisition Project	355,000
2004F	Kansas Board of Regents-Comprehensive Rehab & Renov - \$44,860,000	
2004F	Comp Rehab & Renov - Crumbling Classrooms	735,000
2004F	Comp Rehab & Renov - 1997G-1 Refunding	14,770,000
2004F	Comp Rehab & Renov - 1997G-2 Refunding	27,125,000
2005H	State of Kansas Projects - \$88,175,000	
2005H-2	Dept. of Human Resources (DOL) - Unemployment Benefit System	19,210,000
2005N	Kansas Dept. of Commerce-IMPACT Program Proj.	22,840,000
2007F	Kansas Department of Commerce - IMPACT Program Project	34,505,000
	<b>total</b>	<b>328,141,100</b>





<b>Tax-Supported Debt</b>			
<b>Highway Fund (KDOT)</b>			
Source of Repayment: motor fuel taxes, vehicle registration fees, sales taxes and federal aid reimbursements.			
<b>Series</b>	<b>Title</b>	<b>Balance 6/30/07</b>	<b>Final Maturity Fiscal Year</b>
1993 A	State of Kansas - Department of Transportation - Highway Revenue Refunding Bonds	7,160,000	2008
1998	State of Kansas - Department of Transportation - Highway Revenue Refunding Bonds	75,005,000	2015
2000 B & C	State of Kansas - Department of Transportation - Adjustable Tender Highway Revenue Bonds	200,000,000	2021
2002 A	State of Kansas - Department of Transportation - Adjustable Tender Highway Revenue Bonds	103,470,000	2012
2002 B & C	State of Kansas - Department of Transportation - Highway Revenue Bonds	320,005,000	2020
2002 D	State of Kansas - Department of Transportation - Adjustable Tender Highway Revenue Bonds	88,110,000	2012
2003 A & B	State of Kansas - Department of Transportation - Highway Revenue Refunding Bonds	248,190,000	2014
2003 C	State of Kansas - Department of Transportation - Highway Revenue Refunding Bonds (Auction Rate Securities)	150,275,000	2016
2004 A	State of Kansas - Department of Transportation - Highway Revenue Bonds	250,000,000	2023
2004 B	State of Kansas - Department of Transportation - Adjustable Tender Highway Revenue Bonds	200,000,000	2025
2004 C	State of Kansas - Department of Transportation - Adjustable Tender Highway Revenue Bonds	147,000,000	2025
<b>total</b>		<b>1,789,215,000</b>	